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MOZAMBIQUE

The black-dominated transitional government that will prepare Mozambique for independence next June was formally installed in Lourenco Marques yesterday. The government is headed jointly by a Portuguese high commissioner, Admiral Vitor Crespo, and a prime minister from the former insurgent Front for the Liberation of Mozambique, Joaquim Chissano. Chissano, who long headed the front's office in Dar es Salaam, is its third-ranking official and one of its top administrators.

Officials of the front, which was allotted six of nine cabinet positions under the independence accord signed two weeks ago, head the ministries of internal affairs, labor, economic coordination, justice, information, and education. The remaining ministries are to be held by Portuguese.

Neither front President Samora Machel nor Vice President Marcelino dos Santos will participate directly in the government. Instead, they reportedly will work to restructure the front as a political organization after more than a decade as an exile guerrilla movement. Although the front has been able to establish a political network in the north where it has operated successfully for years, it does not have a formal party organization throughout the country. Machel is expected to become president of Mozambique after independence.

The interim regime will have to rely heavily upon Portuguese expertise. The front is handicapped by a lack of technical personnel and an unfamiliarity with Mozambique's complex economic establishment, which has been tightly controlled by Lisbon for its own benefit and which will need extensive restructuring in order to support an independent state.

There are no indications that front leaders intend to press during the transitional period for early changes in Mozambique's traditional economic ties with white-ruled South Africa and Rhodesia. Those ties earned about \$200 million for Mozambique in 1973, largely from rail and port fees and repatriated wages of Mozambique blacks working in South African mines. [redacted]

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YUGOSLAVIA

Court trials of pro-Soviet "cominformist" plotters
[redacted] are driving home the point that Tito will not tolerate the activities of anti-regime elements supported from abroad.

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Tito publicly revealed some of the activities of the "cominformists" on September 12 in a stinging attack on their "anti-state" program. He called for both prompt trials and publication of the trial findings.

Two of the trials have just concluded, and 32 Yugoslavs received sentences ranging from one to fourteen years. Apparently no one was acquitted. The federal prosecutor's office in Belgrade reinforced Tito's point about foreign support when it said on Friday that members of the group "were in contact with cominformist emigrants working abroad, against our country and from whom they received orders and propaganda material."

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[redacted]

Belgrade has sent protests to the Soviet, Czech, and Hungarian parties in lieu of the governments of these

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countries, because Tito reportedly does not want to create a crisis in inter-state relations. "Some," but presumably not the USSR, are said to have replied satisfactorily.

The party executive committee--with Tito in the chair--met in enlarged session on September 18 to discuss Yugoslav relations with the Communist movement. Tito may be considering how to handle this matter, including taking his case more fully to other Communist parties. At the least, such a move would complicate Soviet efforts to organize an all-European and, subsequently, a world-wide meeting of Communist parties.

There are probably several reasons why, for the first time in several years, Tito has lashed out at Soviet-inspired activity in Yugoslavia. Anti-regime forces have become more active, to the point of holding an illegal congress and electing Perovic as their party chief. The evidence of foreign involvement has grown with the discovery of substantial amounts of propaganda materials and printing equipment furnished by the USSR and Czechoslovakia. Finally, Tito probably decided, as he prepares for his succession, that a strong reminder against foreign meddling was necessary.

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CENTRAL AMERICA - CUBA

The five countries of Central America, until recently solid in support of the OAS sanctions against Cuba, will probably vote to lift sanctions when the OAS meets in November. Their change in attitude toward the sanctions derives from both a reappraisal of US intentions and a desire for unity among Latin American nations. None wants to be left out on a limb.

Costa Rica and Honduras may follow up their votes by moving on to establish relations with Cuba, but Nicaragua, Guatemala, and El Salvador probably will not do so anytime soon.

Costa Rica, led by a man who does not share his predecessor's personal animosity toward Castro, has been one of the prime movers behind a new look at sanctions and will probably be one of the first in Central America to normalize relations once sanctions are abandoned.

Honduras, the poorest and least developed country in the area, bases its attitude largely on the economic advantage of finding a new market for its limited range of export products. It was the only one of the five Central American countries to violate the sanctions by a purchase of sugar from Cuba over a year ago and reportedly is negotiating the sale of lumber in anticipation of the lifting of sanctions.

In Nicaragua, Guatemala, and El Salvador, the three most outspokenly anti-Communist of the five Central American nations, large and powerful groups still suspect Cuban motives. All three governments consider a reappraisal of the sanctions as reasonable, in view of the increasing number of signatories who are ignoring them, but they would encounter significant domestic political opposition to a re-establishment of relations.

Cuba, for its part, has adopted a pragmatic attitude toward Central America. A Cuban medical team assisted Nicaraguan earthquake victims in December 1972. In addition, Havana would view trade, such as the sale of

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sugar to Honduras, as more promising than the past practice of supporting incompetent revolutionary groups. Even Guatemala, where guerrillas were exceptionally strong in the 1960s, is apparently no longer a target of Cuban subversion. The change is due partly to a realization that counterterrorist activity by the Guatemalan government has made the effort useless and partly to Cuba's desire for a new, more benign image.

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ARAB STATES

The Arab response to Israeli Prime Minister Rabin's visit to Washington last week has thus far been reserved, suggesting that the Arabs intend to withhold judgment on the US until they learn more about the scope of any military aid agreements concluded with Israel.

Egyptian media treatment of the visit has been typical of the position adopted by most Arabs. Cairo editorialists commented extensively on the trip before it occurred, seeing in it an attempt by Israel merely to forestall negotiations. Despite an implied presumption that a new US-Israeli arms agreement would be concluded, Cairo's commentators expressed confidence that Washington would neither substantially add to Israel's military strength nor support an intransigent negotiating position.

Since the Rabin visit, commentary has been sparse. Editorialists have again taken the position that Israel is seeking military aid for aggressive purposes, but they have carefully avoided comment on whether the Prime Minister's visit to Washington in fact met the alleged Israeli goal.

Although the commentators note that Rabin did obtain more US military aid and that this could raise tensions in the area, they shrug off the US role in this as predictable--and thus far not unacceptable--in view of continuing US ties with Israel. Echoing a standard Egyptian line, one newspaper commented that the change in Washington's policy toward the Arabs had never been expected to bring tangible changes in US policy toward Israel. At the same time, the Arabs expect that the US will use its position as Israel's main arms supplier and supporter to moderate Israeli territorial demands in the negotiating process.

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CSCE

The US delegation at the European Security Conference in Geneva reports that, since the new negotiating session began on September 2, the Soviets have taken a tougher line on issues involving the freer movement of people and ideas (Basket III). At the end of the last round of talks, the Soviets agreed to informal compromises on the texts of some Basket III items. Now they appear to be repudiating some of those compromises.

Soviet spokesmen from Brezhnev down have reiterated Moscow's desire to conclude the conference successfully, but they have been more cautious than before about the timing of the finish. During his recent visit to Bonn, Foreign Minister Gromyko hinted that the Soviets might be more flexible at the conference on Basket III issues, given the applicability of the principle of "noninterference in internal affairs" to all activities falling within this basket. The Soviets presumably want to use this principle to limit their obligation to implement eventual Basket III pledges. The head of the French delegation in Geneva thinks that Moscow is stalling in the hope that the US will eventually persuade the EC Nine to abandon many of their proposals. The US has, in fact, been urging the West Europeans to define the "essential" Western goals in the conference and to revise current Western proposals on several troublesome issues. The Nine last week made clear that they will insist on a first reading of all texts currently on the table at Geneva and will resist revision of Western proposals in advance.

To appease the US, however, the West Europeans have said they will try to be as flexible as possible. They have also agreed that Western consultations on more "realistic" proposals can take place in Geneva while the business of the conference is unfolding.

Nevertheless, most of the West Europeans continue to feel little urgency about bringing the conference to a speedy conclusion. The West German official responsible for CSCE matters said recently that Bonn does not want to lose advantages that might be gained by a more patient approach and thus is willing to wait for the Soviets to make concessions.

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EC

EC members are divided over how speedily the Community should decide its negotiating stance for the coming multilateral trade negotiations in Geneva. The disagreement is caused by their uncertainty over the passage and ultimate terms of US trade legislation. The EC Commission's substantive proposals, meanwhile, remain in dispute.

One school within the Commission doubts that US legislation will be completed before the Congressional recess and does not want the EC mandate to get ahead of the US trade bill. It suggests postponing EC decisions until November or December. The Commission's tentative schedule now calls for an EC Council session in mid-October.

Those pushing for an early EC mandate, on the other hand, argue that the US would accuse the Commission of dragging its feet if the Community were not ready to negotiate once the US trade bill is passed. In addition, the French want to draw up a mandate now and leave the Commission with little negotiating flexibility. The Germans have decided to go along with the French, but are trying to gain acceptance for the idea that the new mandate should only be the first of a series. This would leave open the opportunity to broaden the Commission's authority as the negotiations proceed.

EC Commissioner Gundelach is toying, meanwhile, with the notion of pursuing the trade negotiations in two stages, with one "package" to be completed in 1975 and a second prepared for 1976 "or later." He evidently fears that without such an approach, the negotiations as a whole might be delayed until 1977.

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At this week's meeting of the committee debating the EC's negotiating policy, the French and Italians raised objections in particular about the agricultural chapter of the Commission's draft mandate. Paris, always sensitive to farm trade issues, is probably concerned that calls in the Community for revising EC agricultural policy may get a boost from demands made by the EC's partners in the trade negotiations. The French may also be bothered by Commission suggestions for giving international bodies a decisive voice in agricultural commodity arrangements, because this could interfere with EC autonomy in setting pricing and stockpiling policies. [REDACTED]

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China: Premier Chou En-lai received Mrs. Marcos, wife of the Philippine President, in the hospital yesterday. The Chinese leadership is obviously interested in having the ailing Premier meet with foreign visitors when his health permits. Chou's return to the hospital--he was first hospitalized in June and subsequently released--indicates that he is still very ill, although apparently somewhat improved. Chou had previously missed meetings with three African heads of state; his appearance on this occasion attests not only to the state of his health but also to the importance China attaches to improvement of relations with the Philippines.

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Libya: Tripoli has advised Occidental Petroleum that it intends to take over an additional 9 percent of the company, which would boost the Libyan share to 60 percent. This brings Tripoli's equity in line with participation agreements reached in Kuwait and Saudi Arabia. Other companies still operating in Libya are certain to receive similar news.

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